

Break Even Analysis for Taste of Buffalo

Projected Gross Revenue \$15,000

Costs

Festival Fee	\$700
Concession Fee (18% of gross revenue)	\$2,700
Equipment Rental, Set Up & Tear Down	\$1,000
Tax (8.75% of gross revenue)	\$1,313
Labor Costs (see Note 1)	\$2,590
Cost of Goods Sold (see Note 2)	\$5,566
Total Cost	\$13,869

Net Profit \$1,132

Note 1 Labor Cost for Food Preparation and Sales

Food preparation:

1 Chef working 30 hours at \$25/hour = \$750

1 Assistant working 30 hours at \$10/hour = \$300

Food Sales:

6 workers working 22 hours at \$7.50/hour = \$990

1 worker working 22 hours at \$10/hour = \$220

1 worker working 22 hours at \$15/hour = \$330

Total Labor Cost equals the sum of the above = \$2590

Note 2 Cost of Goods Sold

Gross Revenue = \$15000

Average revenue per unit of items sold = \$3.18

Number of units sold = 4717

Expense per unit = \$1.18 (37% of average revenue per unit)

Cost of Goods Sold = (\$1.18/unit)(4717units) = \$5566